

10840-1
RECORDATION NO. 10840-1 Filed 1425

LAW OFFICES

9-340A020

DEC 03 1979 10:35 AM

WHEELER & WHEELER

DEC 6 1979

INTERSTATE COMMERCE COMMISSION

1729 H STREET, NORTHWEST

Date 10.00

Fee \$ 10.00

BURTON K. WHEELER (1882-1975)

WASHINGTON, D. C. 20006

EDWARD K. WHEELER

ROBERT G. SEAKS

ELDON S. OLSON

RICHARD H. STRODEL

CHANDLER L. VAN ORMAN

RICHARD H. STREETER

KEITH G. O'BRIEN

ICC Washington, D. C.

December 6, 1979

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Ms. Mergenovich:

On behalf of our client, the Bank of Virginia ("Bank"), we are transmitting herewith for filing, pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 USC 11303, the original and two (2) notarized copies of a revenue disbursement and payment arrangement between Balard Leasing Corporation ("Balard") and the Bank which has been executed by appropriate officials of the respective parties to the Agreement. This arrangement is directly related to the Management Agreement of September 14, 1979 between National Railway Utilization Corporation ("NRUC") and Balard (Recordation No. 10840), the Security Agreement between Balard and the Bank (Recordation No. 10840-A), the Assignment of Management Agreement by Balard to the Bank (Recordation No. 10840-B), and the Consent and Agreement (Recordation No. 10840-C), all of which were filed with the Commission on September 24, 1979 at 10:30 A.M. The lease financing transaction covered by these documents concerns 100 50' 6" 70-ton general purpose XM boxcars with specified road numbers intended for use in interstate commerce.

Enclosed is a check in the amount of \$10 to cover the applicable filing fees. After the enclosed document has been properly recorded, the original should be returned to Mr. G. J. Cannon, Vice President, Bank of Virginia, 11011 Broad Street Road, P.O. Box 26265, Richmond, Virginia 23260. Your assistance in this matter is greatly appreciated.

Sincerely yours,

Richard H. Strodel
Richard H. Strodel

RHS:mgc
Enclosures

DEC 6 1979
FEE OPERATING BR.
RECEIVED

C. J. Cannon

BALARD LEASING CORPORATION
Three Radnor Corporate Center
100 Matsonford Road
Radnor, Pennsylvania 19087

RECORDATION NO. 10840-D
Filed 1425
DEC 03 1979 10 53 AM
INTERSTATE COMMERCE COMMISSION

November 19, 1979

Mr. G. J. Cannon, Vice President
Bank of Virginia
11011 Broad Street Road
P. O. Box 26265
Richmond, Virginia 23260

Dear Jerry:

This letter is to confirm the revenue disbursement and payment arrangements to be followed by Balard Leasing Corporation ("Balard") and the Bank of Virginia ("Bank") under the Management Agreement of September 14, 1979 between National Railway Utilization Corporation ("NRUC") and Balard Leasing Corporation ("Agreement"), the Assignment of Management Agreement by Balard to the Bank of that date ("Assignment"), the Security Agreement between Balard and Bank of the same date ("Security Agreement") and the Promissory Note of the same date in the amount of \$3,432,000.00 executed by Balard in favor of the Bank ("Note").

Under Sections 5(c) and 16 of the Agreement and the Assignment, the Bank will receive, on January 15, 1980 and April 15, 1980, and quarterly thereafter, the entire Quarterly Net Revenues (as defined in the Agreement), less the expenses paid pursuant to Section 5(b) of the Agreement, due and payable to Balard under the Agreement for the preceding calendar quarter. It is the intention of the parties that these revenues received by the Bank will equal or exceed the interest that will have accrued as of January 15, 1980 and April 15, 1980 under the Note. If such revenues received by the Bank pursuant to the Assignment of the Agreement are not sufficient to cover the accrued interest as of January 15, 1980 and April 15, 1980, Balard agrees to pay to the Bank directly the difference between such revenues and the accrued interest as of such dates, such payments to be made within five (5) business days thereafter. While under the terms of the Agreement any quarterly sums received by the Bank under Sections 5(c) and 16 of the Agreement that exceed the principal and interest payment due and payable to the Bank for the quarter are to be applied to the last such payment and the payments preceding it as prepayments of principal, the parties agree that any excess sums received by the Bank will first be used to reimburse Balard for any aforementioned accrued interest payments paid directly by it with interest at the rate of 12.25% per annum and then applied to such last and preceding payments. In the event of any prepayment of principal, whether from sums due under 5(c) of the Agreement or as otherwise provided under the Security Agreement, Balard shall provide Bank with a new amortization schedule showing the revised allocation between principal and interest

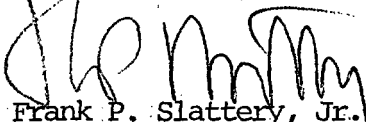
November 19, 1979

of the installments coming due thereafter. Such new amortization schedule shall be supported by a detailed breakdown of the application of revenues causing the schedule to be submitted and shall be in accordance with the provisions of this letter, the Note, the Security Agreement, the Agreement and the Assignment.

Paragraph I of the Security Agreement provides, inter alia, that sums remitted by NRUC under the Management Agreement representing reimbursement to Balard for certain advances made by Balard for payment of expenses as provided in Section 5(d) of the Management Agreement ("Section 5(d) Payments") are, absent a default, to be remitted by Bank to Balard and are not to be used for payment of the Note. Nothing contained herein shall be construed as in any way affecting the disposition of such Section 5(d) Payments as hereinbefore described.

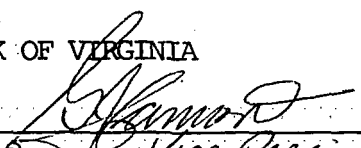
Your indicating on behalf of Bank its acceptance of the foregoing disbursement and payment arrangements would be appreciated. Please do so by signing below and returning to me a copy of this letter.

Very truly yours,


Frank P. Slattery, Jr.
Vice President

AGREED AND ACCEPTED:

BANK OF VIRGINIA

By 
Title Vice Pres

STATE OF PENNSYLVANIA)
) ss.
COUNTY OF DELAWARE)

On this 30th day of November, 1979, before me personally appeared Frank P. Slattery, Jr., to me personally known, who, being by me duly sworn, says that he is Vice President of BALARD LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Nancy L. Speaker
Notary Public

SEAL

My Commission Expires:

NANCY L. SPEAKER, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires June 4, 1983

STATE OF VIRGINIA)
) ss.
COUNTY OF)

On this 28th day of November, 1979, before me personally appeared G. Y. Cannon, to me personally known, who, being by me duly sworn, says that he is Vice President of BANK OF VIRGINIA, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara A. Rayfield
Notary Public

SEAL

My Commission Expires:

My Commission Expires May 9, 1982

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

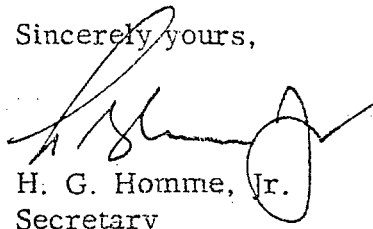
Mr. G. J. Cannon
Vice President
Bank of Virginia
11011 Broad Street Road
Richmond, Virginia 23260

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C.

11303, on 12/6/79 at 10:35PM, and assigned re-cordation number(s). 10840-D

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)